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PROGRAMME BUDGET FOR THE BIENNIUM 1992-1993

Implementation of General Assembly resolution 46/185: (a) Situation of the African Institute for Economic Development and Planning (IDEP); (b) Strengthening of the Multinational Programming and Operational Centres (MULPOCs) of the Economic Commission for Africa

Report of the Secretary-General

INTRODUCTION

1. At its forty-sixth session, the General Assembly adopted resolution 46/185 of 20 December 1991 entitled "Questions relating to the proposed programme budget for the biennium 1992-1993". In part C of the resolution, paragraphs 1 and 3 of section XVII, on section 23 of the programme budget, the General Assembly:

> "1. Accepts the proposals of the Secretary-General and the recommendation of the Advisory Committee on Administrative and Budgetary Questions on the multinational programming and operational centres, taking into account the relevant evaluation report, 1/ the report of the Committee for Programme and Coordination, 2/ the report of the Secretary-General, 3/ the relevant decisions of the Economic and Social Council, paragraph 23.9 of the report of the Advisory Committee 4/ and further views expressed by the Secretariat during the consideration of this question at the forty-sixth session of the General Assembly, and requests the Secretary-General to provide the multinational programming and operational centres with the remaining Professional and General Service posts and to report thereon to the General Assembly at its forty-seventh session;
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> "...

"3. Accepts the proposals of the Secretary-General and the recommendations of the Advisory Committee on the African Institute for Economic Development and Planning, and requests the Secretary-General to report to the General Assembly at its forty-seventh session on the situation of the Institute, in the light of Economic and Social Council resolution 1990/72 of 27 July 1990."

2. Part I of the present report deals with the situation of the African Institute for Economic Development and Planning (IDEP) and part II addresses the issues relating to the strengthening of the Multinational Programming and Operational Centres (MULPOCs).

PART I

Institute for Economic Development and Planning (IDEP)

Background

3. The United Nations African Institute for Economic Development and Planning (IDEP) was established by resolution 58 (IV) of 1 March 1962, adopted at the fourth session of the Conference of Ministers of Economic Planning and Development of the Economic Commission for Africa (ECA). It began operations on 21 November 1963 as a United Nations Special Project.

4. The first statute of the Institute was approved by the ECA Conference of Ministers in 1964. Subsequently, a revised statute was adopted by the ECA Conference of Ministers in its resolution 350 (XIV) of 27 March 1979. Under its revised statute, IDEP became a subsidiary organ of ECA.

5. The headquarters of the Institute is in Dakar. The Senegalese host Government provides the premises and facilities for its operations.

6. In accordance with the statute, the Institute's mandate centres around four interdependent and complementary activities: (a) training of senior-level African development economists and planning specialists, including the conduct of supportive research activities; (b) provision of advisory services at the request of African Governments and organizations; (c) organization of conferences, seminars and workshops of short duration and focused on specific topical development issues, targeted at policy makers and national decision makers; and (d) preparation of documentation and publications on African development problems and experiences, and dissemination to researchers, national and subregional institutions.

7. IDEP has two main organs which oversee its functioning:

(a) The Governing Council, chaired by the Executive Secretary of ECA and composed of 12 representatives from African member States appointed by the ECA Conference of Ministers; a representative of the Government of Senegal; a representative of the United Nations Development Programme (UNDP) (without

voting rights); the Director of the Institute, as Secretary. The Governing Council lays down general principles and policies governing the functioning of the Institute, reviews and approves the work programme and budget, examines and approves the Director's annual report, submits a report on the work of the Institute to the ECA Conference of Ministers through the Joint Conference of African Planners, Statisticians and Demographers, and provides guidance for overall administration.

(b) The Advisory Board on Studies and Research (13 members) assists in the design of the training, research and other substantive activities. Its recommendations go to the Governing Council for approval.

8. Under its statute, the Institute is financed by annual contributions from African States and UNDP. The contributions of African States were initially established at a fixed level with subsequent revisions of that level. The current annual level of those contributions was established by ECA Conference of Ministers resolution 433 (XVII) of 30 April 1982. The contributions are assessed among 50 African countries according to a specific formula based on each country's capacity to pay. UNDP's contribution is provided from within the framework of its successive programming cycles. All of the above contributions were utilized for financing the operations of the Institute, including payment of emoluments to its staff.

Recent evolution of IDEP's financial situation

9. In recent years, several factors have adversely affected the IDEP financial situation. First, the collection of assessed contributions has been declining persistently, except in 1991. Secondly, the complete withdrawal of UNDP assistance under the fifth cycle in the funding of salaries of Professional staff of IDEP has considerably affected the IDEP financial situation. This sharp break in the traditional practice of financing, on a recurrent basis, the established posts of Professional staff and fellowships for IDEP students has imposed severe financial strain on the capacity of the Institute. Thirdly, ECA, which had provided assistance to IDEP in the past from its overhead resources for the financing of posts, has increasingly found it difficult to sustain such assistance in view of its diminished overhead resources.

10. As a consequence of these adverse factors, IDEP had to rely on the grants provided by the General Assembly from the United Nations regular budget. In 1991, four Professional posts were financed by the United Nations through a non-recurrent grant of $392,200 approved by the General Assembly at its forty-fifth session. At its forty-sixth session, the General Assembly decided to provide a non-recurrent grant of $850,000 within the framework of the current 1992-1993 biennium to cover the cost of those posts. Expenditures for 1992 and 1993 have been estimated at $420,000 and $430,000, respectively. Estimated income and expenditures of IDEP's budget for the biennium 1992-1993 are provided in table 1 below.

Table 1

IDEP: Estimated income and expenditure for 1992 and 1993

	1992 $	1993 $
Balance from previous year	165 000	43 000
Income		
Government contributions	600 000	600 000
UNDP contribution	279 000	300 000
ECA assistance	145 000	155 000
Other sources	65 000	75 000
Total income	1 254 000	1 173 000
Expenditure	1 631 000	1 615 000
Excess of income over expenditure	(377 000)	(442 000)
United Nations grant	420 000	430 000
Balance as at 31 December	43 000	(12 000)

Findings of the UNDP evaluation of the future role of IDEP

11. It should be recalled that the withdrawal of UNDP assistance did not come suddenly. Rather, as far back as 1986, UNDP had announced to the IDEP Governing Council that for the fourth programming cycle, it would not favour continued funding of institution-building activities. In 1988, this position was confirmed as, by then, a policy decision had been taken by the UNDP governing bodies that in institutions like IDEP, only substantive operational project activities would receive funding support. Core programmes and posts, support staff and recurrent expenditures were no longer to be funded from UNDP sources. Contributions from member States, in particular, were considered a more appropriate source for financing such items. Withdrawal by UNDP from these traditional areas of funding was to take effect as from the end of 1989.

12. Given the crisis that would arise from such a decision and the immediate threat this would pose to the survival of IDEP, the Governing Council of IDEP requested UNDP to continue its support through 1990. UNDP agreed on the following conditions:

(a) African Governments meet their financial obligations to IDEP regularly and promptly in the future and pay their arrears;

(b) An alternative arrangement is made for core funding of IDEP;

(c) IDEP undertakes to become financially independent;

(d) A subcommittee of the Governing Council of IDEP reviews IDEP's future staffing and programme of instruction.

13. An evaluation of the extent to which these conditions had been met was conducted by UNDP in May 1990. On the basis of its positive findings, core funding of the Institute was extended to the end of 1990. A comprehensive evaluation of UNDP support for IDEP was scheduled for the end of 1990. The general purpose of this evaluation was to examine the role which the Institute has played in Africa's development and arrive at recommendations regarding its future role in enabling African development professionals to cope with the challenges faced by the African economies. The understanding was that UNDP's relationship with IDEP would thereafter be put on a different footing, i.e., instead of funding being provided for core posts and core training programmes, resources would be made available for operational activities, particularly short-term training, research, consultancy and advisory services, and networking.

14. In summary, the findings of the evaluation were as follows:

(a) Neither the interests of African Governments nor those of IDEP are served by IDEP's commitment to institutional schooling; it is a very inefficient use of resources.

(b) The restructuring proposals of IDEP do not offer a detailed analysis of IDEP's future manpower needs. It is especially important to be clear about what capabilities are needed in-house and what can be obtained ad hoc from outside. The change of emphasis to research, seminars and consultancies will need a new configuration of skills.

(c) Conceptual and structural transformation in IDEP is inadequate and must be accelerated as a matter of the highest priority.

(d) Administrative and financial control of IDEP by ECA requires urgent review in order to give IDEP greater autonomy, to encourage creativity within the Institute and to give it flexibility to be an effective research organization capable of pursuing demand-driven programmes and activities.

(e) The present composition of IDEP's Governing Council needs to be reviewed in order to enable it to play the new role expected from it. The recomposition of the Council is called for in order to reduce its domination by government representation and government thinking, and to increase the participation of academic, scientific and entrepreneurial skills.

(f) The existence of an Advisory Board on Studies and Research is not as relevant as it was in the past. Improvement of the scientific quality of IDEP's programmes and projects can be achieved by changing the composition of IDEP's Governing Council to incorporate the required capabilities, a solution which will be less expensive and less cumbersome.

(g) UNDP has indicated that although it has decided to end core-funding, it is quite willing to fund IDEP on a project basis in accordance with its mandate and operational norms.

(h) African Governments are not in a position to finance IDEP to the extent desirable, given their own economic situation and the demands on limited resources. There should be less dependence on this source of financing and imaginative alternatives identified.

Efforts made or envisaged to improve IDEP's financial situation

Government contributions

15. The efforts made in 1991 to improve the collection of contributions from member States and to pay their arrears produced positive results. Revenues from this source amounted to about $830,000. It made it possible to register a positive balance in 1991 and ensured a smooth start of the 1992 fiscal year.

16. Government contributions are, however, not likely to reach the 1991 level of $830,000 and should be about $600,000 annually on average in the future. As shown in table 2, the level of contributions mobilized so far in 1992 amounts to about $564,000. The collection of these contributions is, and will continue to be, a source of concern for management, which is sparing no effort to urge member States to pay their assessed contributions and the arrears. The correlation between visits to countries and the inflow of funds is worth noting. However, in view of the limited resources and means, the strategy generally adopted is to combine travel on mission and/or home leave with special sensitization missions.

17. IDEP's management is determined not to relax its efforts in this area and has prepared a strategy for the mobilization of contributions. In this connection, it should be noted that in his comments 5/ on the report of the Joint Inspection Unit (JIU), the Secretary-General shared the JIU views on the possibility of using country indicative planning figures (IPFs) for the payment of assessed contributions, on the understanding that the use of each country's IPF should be settled trilaterally between the Government, IDEP and the UNDP resident representative in the country concerned.

Table 2

Status of government contributions

Countries	1992 Assessment	Arrears Due at 31 Dec.1991	Total	Amount Paid in 1992	Balance Due as of 31 Dec 92
1. Algeria	80 000.00	876 172.82	956 172.82		956 172.82
2. Angola	32 000.00	32 000.00	64 000.00		64 000.00
3. Benin	15 000.00	112 685.42	127 685.42		127 685.42
4. Botswana	24 000.00	120 000.00	144 000.00		144 000.00
5. Burkina Faso	15 000.00	54 972.95	69 972.95	39 226.95	30 746.00
6. Burundi	15 000.00	193 221.07	208 221.07	32 647.06	175 574.01
7. Cameroon	24 000.00	41 899.49	65 899.49	40 162.91	25 736.58
8. Cape Verde	10 000.00	50 000.00	60 000.00		60 000.00
9. Central African Republic	15 000.00	82 127.83	97 127.83		97 127.83
10. Chad	15 000.00	240 000.00	255 000.00		255 000.00
11. Comoros	10 000.00	50 000.00	60 000.00		60 000.00
12. Congo	15 000.00	240 000.00	255 000.00		255 000.00
13. Côte d'Ivoire	32 000.00	480 000.00	512 000.00		512 000.00
14. Djibouti	15 000.00	75 000.00	90 000.00		90 000.00
15. Egypt	80 000.00	259 369.01	339 369.01		339 369.01
16. Equatorial Guinea	10 000.00	50 000.00	60 000.00		60 000.00
17. Ethiopia	32 000.00	268 948.35	300 948.35		300 948.35
18. Gabon	20 000.00	273 608.86	293 608.86		293 608.86
19. Gambia	10 000.00	120 974.35	130 974.35	9 625.66	121 348.69
20. Ghana	32 000.00	331 904.76	363 904.76		363 904.76
21. Guinea	20 000.00	229 268.59	249 268.59		249 268.59
22. Guinea-Bissau	10 000.00	50 000.00	60 000.00		60 000.00
23. Kenya	32 000.00	312 183.86	344 183.86		344 183.86
24. Lesotho	15 000.00	30 000.00	45 000.00		45 000.00
25. Liberia	15 000.00	195 000.00	210 000.00		210 000.00
26. Libyan Arab Jamahiriya	80 000.00	958 225.15	1 038 225.15		1 038 225.15
27. Madagascar	20 000.00	34 316.36	54 316.36	18 903.87	35 412.49
28. Malawi	15 000.00	225 000.00	240 000.00	45 000.00	195 000.00
29. Mali	15 000.00	157 841.55	172 841.55		172 841.55
30. Mauritania	10 000.00	126 109.72	136 109.72		136 109.72
31. Mauritius	15 000.00	105 009.73	120 009.73		120 009.73
32. Morocco	32 000.00	222 927.40	254 927.40	63 985.00	190 942.40

Table 2 (continued)

Countries	1992 Assessment	Arrears Due at 31 Dec.1991	Total	Amount Paid in 1992	Balance Due as of 31 Dec 92
33. Mozambique	32 000.00	129 107.47	161 107.47		161 107.47
34. Niger	15 000.00	179 544.40	194 544.40		194 544.40
35. Nigeria	80 000.00	430 770.54	510 770.54	80 432.43	430 338.11
36. Rwanda	15 000.00	210 000.00	225 000.00		225 000.00
37. Sao Tome & Principe	10 000.00	50 000.00	60 000.00		60 000.00
38. Senegal	24 000.00	22 803.86	46 803.86	111 000.00	(64 196.14)
39. Seychelles	10 000.00	34 909.68	44 909.68		44 909.68
40. Sierra Leone	20 000.00	291 605.68	311 605.68		311 605.68
41. Somalia	10 000.00	140 000.00	150 000.00		150 000.00
42. Sudan	32 000.00	480 000.00	512 000.00		512 000.00
43. Swaziland	20 000.00	100 000.00	120 000.00		120 000.00
44. Togo	15 000.00	11 367.45	26 367.45		26 367.45
45. Tunisia	24 000.00	24 000.05	48 000.05	32 758.74	15 241.31
46. Uganda	24 000.00	308 130.17	332 130.17		332 130.17
47. United Rep. of Tanzania	24 000.00	176 866.57	200 866.57	38 461.51	162 405.06
48. Zaire	32 000.00	286 175.09	318 175.09		318 175.09
49. Zambia	32 000.00	391 968.82	423 968.82	11 765.00	412 203.82
50. Zimbabwe	40 000.00	40 000.00	80 000.00	40 000.00	40 000.00
Total	1 239 000.00	9 906 017.05	11 145 017.05	563 969.13	10 581 047.92

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UNDP assistance

18. UNDP agreed to continue funding the Institute with a shift of emphasis from funding of core posts and core activities to funding of specific operational activities. Towards that end, UNDP approved the funding of a preparatory phase project of a six-month period beginning in September 1992. The project aims at strengthening IDEP's self-sustaining capacity by establishing the strategic framework for the orientations of the Institute's missions and activities. The main output from the project will be a full-fledged project document incorporating a medium-term development plan anchored on capacity-building for delivery of short-term training programmes, research, consultancy/advisory services, networking and management audit. UNDP is expected to provide funding for the full-fledged project under its fifth programme cycle.

ECA

19. IDEP and ECA are further strengthening their organic linkages and their substantive relationship. Current work programmes of both organizations were prepared in close collaboration so as to strengthen their cooperation in the fields of research and training. The immediate future will see more concrete efforts at exploiting the vast reservoir of expertise and skills in ECA with a view to further enriching IDEP's programmes and strengthening its delivery capacity. ECA has, in the past, contributed significantly to the manpower resources of IDEP providing up to three senior-level Professional posts at any one time. The commitment remains strong but the means are lacking as overhead resources available to ECA have dwindled markedly. In the meantime, IDEP will continue to take advantage of the advisory services of the ECA regional advisers and use other ECA experts in its training programmes.

Other sources of income

20. Initiatives taken in 1991 in various areas have provided other possible sources of income for IDEP. This is indeed the case with the conference facilities which are put at the disposal of Dakar-based organizations for the organization of conferences, seminars and workshops either directly through the payment of a rental fee or indirectly through administrative overheads which IDEP receives as a host institution. Incomes of this nature amounted to about $15,000 in 1991 and are expected to reach $20,000 in 1992.

21. To this should also be added the incomes to be derived from the sale of publications which will generate some income, modest in 1992 but expected to increase in subsequent years. In 1992, research and consultancy will be consolidated; even though the incomes derived from these activities will be negligible for this year, they are expected to increase in the ensuing years. The objective is to ensure increased financing from consultancy activities which, together with the tuition fees, will contribute to financing an increasing number of other activities and possibly the payment of the salaries of, for example, the interpreters/translators, part-time consultants, and even programme support staff.

22. The major source of IDEP's own resources is tuition fees. Although these fees exceeded $100,000 during the academic year (1989-1990), they subsequently dropped as a result of the decline in the number of trainees during the last two academic years. As noted earlier, this decline is largely attributed to the difficulty in obtaining fellowships, particularly at the end of the UNDP fourth programming cycle. It must be stressed that IDEP's efforts to increase these resources are only recent; consequently, their effects will be felt only by the 1993-1994 academic year and thereafter. Present and future initiatives are likely to result in a more regular financing of fellowships by such donors as UNDP, the United States Agency for International Development (USAID), the World Bank, the Commonwealth Fund for Technical Cooperation (CFTC), and others. They are also aimed at attracting other sources such as the Arab Bank for Economic Development in Africa (BADEA), the International Fund for Agricultural Development (IFAD), and others, and would include income from training activities.

Conclusions

23. In the last two years, IDEP has made commendable efforts to adopt its structures, reorient its substantive programmes and enlarge its resource base. These efforts will undoubtedly improve the relevance of the Institute and increase the usefulness of its activities for member States. This, in turn, will enable the Institute to attract more resources through an improved collection of assessed contributions and increased financing of projects by funding organizations. At this time, however, IDEP's efforts have not yet borne all their fruits and their results have not yet materialized. Thus, the financial situation of the Institute remains fragile and it is most likely that the assistance provided by the United Nations since 1991 would continue to be required for the foreseable future. The Secretary-General intends to review the need for the continuation of such assistance in the context of the preparation of the proposed programme budget for the biennium 1994-1995. Should it be found at that time that the financial situation of IDEP would still be precarious and that IDEP requires continued support, the Secretary-General would take this situation into account in the preparation of the proposed programme budget for the biennium 1994-1995.

PART II

Multinational Programming and Operational Centres (MULPOCs)

24. The MULPOCs were established by resolution 311 (XII) of the ECA Conference of Ministers of 1 March 1977. Each of the five MULPOCs has a Council of Ministers or Plenipotentiaries and a Committee of Officials, which provide policy guidance, supervise and monitor its work. The Centres are intergovernmental institutions operating at the subregional level and responsible for the provision of technical assistance to member States and their intergovernmental organizations in the promotion of subregional economic cooperation and integration in Africa. The objective is the creation of

subregional common markets or customs unions as an important step towards the establishment of an African Common Market and eventually an African Economic Community.

25. By its resolution 43/216 of 21 December 1988, the General Assembly endorsed the recommendation of the Board of Auditors and ACABQ that the achievements of the MULPOCs be thoroughly evaluated with a view to deciding whether this experiment should be continued or whether the mandate, number and structures of these centres should be completely reorganized. Pursuant to that resolution, an evaluation of the MULPOCs was conducted in 1989 by a four-member team appointed by the Executive Secretary of ECA and the United Nations Under-Secretary-General for Administration and Management. The findings and recommendations of the Review Team were submitted to the Economic and Social Council through the ECA Conference of Ministers. The Economic and Social Council, by its resolution 1990/76, inter alia, strongly supported the conclusions of the Review Team that the Centres' institutions should be transformed and strengthened to provide member States with the required technical assistance and advisory services; adopted the new mandate of the Centres; strongly urged the General Assembly to provide the Centres with additional human and financial resources; recommended that the current number and composition of the Centres be maintained; decided that the Centres should report directly to the Conference of Ministers of ECA; appealed to member States to continue their support and assistance to the Centres; urged technical assistance and funding agencies to assist in the implementation of the recommendations of the Review Team.

26. In his subsequent report to the General Assembly at its forty-fifth session, 3/ the Secretary-General proposed that 8 Professional posts and 10 General Service posts be established in the Centres in order to increase their delivery capacity and ability to respond to the needs of their member States. However, ACABQ decided to review the Secretary-General's proposal for additional posts for the MULPOCs in the context of the proposed programme budget 1992-1993. In that connection, the Committee requested a report which clearly indicated the specific programme of work of MULPOCs and its relationship to the programme of work of ECA.

27. Subsequently, in the proposed programme budget for the biennium 1992-1993, the Secretary-General proposed the establishment of five new Professional posts in order to strengthen the capacity of MULPOCs in the promotion of subregional economic cooperation and integration in Africa. The Secretary-General also stated that possibilities for redeployment of the remaining posts to the MULPOCs (3 Professional and 10 General Service posts) would be explored. As mentioned above, the General Assembly, in its resolution 46/185 on questions relating to the proposed programme budget for the biennium 1992-1993, accepted the Secretary-General's proposals and requested him to provide the MULPOCs with the remaining Professional and General Service category posts and to report thereon to the General Assembly at its forty-seventh session.

28. Strengthening of the MULPOCs, including through redeployment of posts, is one of the main questions under consideration within ECA in the context of the ongoing restructuring exercise of the offices away from Headquarters. Since the outcome of the review of ECA is not yet known, it is not possible at this stage to submit final proposals regarding further strengthening of the MULPOCs through additional staff resources and modifications of the existing administrative and reporting arrangements. For these reasons, the Secretary-General proposes to report on this issue in the context of the proposed programme budget for the biennium 1994-1995, which will be submitted to the General Assembly at its forty-eighth session.

Notes

1/ E/AC.51/1991/3.

2/ Official Records of the General Assembly, Forty-sixth Session, Supplement No. 16 (A/46/16).

3/ A/C.5/45/57.

4/ Official Records of the General Assembly, Forty-sixth Session, Supplement No. 7 (A/46/7).

5/ E/1991/8/Add.1/Rev.1.